

February 26, 2019 Council Meeting

The regular meeting of the Council of the City of Martinsville, Virginia was held on February 26, 2019 in Council Chambers, Municipal Building, at 7:30 PM with Mayor Kathy Lawson presiding. Other Council Members present included Jennifer Bowles, Chad Martin, Jim Woods and Danny Turner. Staff present included City Manager Leon Towarnicki, City Attorney Eric Monday, Assistant City Manager Wayne Knox, Clerk of Council Karen Roberts, Finance Director Linda Conover and Police Lieutenant Sandy Hines

Mayor Lawson called the meeting to order. Following the Pledge to the American Flag and invocation by Vice Mayor Martin, Lawson welcomed everyone to the meeting.

Consider approval of the minutes from the February 12, 2019 Council Meeting - Council Member Bowles made a motion to approve the minutes as presented. Council Member Turner seconded the motion with everyone voting in favor.

Mayor Lawson recognized and welcomed four Boy Scouts in attendance. Lawson thanked them for attending and congratulated them for qualifying for their Communications Merit Badge.

Recognize City Employees who are eligible for Service Awards for the period January 1-March 31, 2019 – City Manager Towarnicki thanked employees for their service and recognized them for their years of service to the City.


SERVICE AWARD RECIPIENTS THIRD QUARTER - FISCAL YEAR 18-19 FOR THE PERIOD OF JANUARY 1 – MARCH 31, 2019		
Name	Department	Years of Service
ANDY HALL	COMMONWEALTH ATTORNEY	5
BRIAN COLLINS	ELECTRIC	5
CHRIS BOULDIN	FIRE/EMS	5
CHRISTY BARKER	SHERIFF'S OFFICE	5
JOHN TURNER	FIRE/EMS	5
JOSH CANNADAY	PUBLIC WORKS	5
PAUL MCCRICKARD	ELECTRIC	5
RODNEY SMITH	SHERIFF'S OFFICE	15
JODY DUNCAN	COMMISSIONER OF THE REVENUE	20
RICHARD BARROW	POLICE	20
WESLEY BROOKS	FIRE/EMS	20
STEVE DRAPER	SHERIFF'S OFFICE	25
DOUG WICKHAM	WATER RESOURCES	25
PAM NORMAN	SHERIFF'S OFFICE	25

Hear a presentation from Landmark Property Management Company regarding a proposed housing project at 201 / 209 Aaron Street – City Manager Towarnicki said he is excited to share details of the project, which would involve a site damaged by fire almost five years ago. Phase 1 and 2 Environmental studies have been completed to qualify for a Brownsfield grant. Landmark Property Management is interested in the property for a potential housing project. Unfortunately, the Virginia Brownsfield fund is currently depleted which will push the City's grant request into the next year. John Stiltner of Landmark Property Management

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Company/Landmark Group presented a PowerPoint, which detailed information about the company and their previous projects. The Lofts, a successful project within the City at the abandoned American of Martinsville location won a top national award. Stiltner introduced other members of the group in attendance and shared their experience with these type projects. The plan for Aaron Mills, a 52-unit apartment complex for the Aaron Street location is in the works with computer rooms, exercise rooms, laundry, community room, and more amenities catered to assist the senior residents with 1-bedroom and 2-bedroom options. Stiltner detailed financing steps, project deadlines and how this project will benefit the community. This will not be an assisted living facility, however if residents need medical assistance in the form of a caretaker then that will be allowed. The cost for the apartments will depend on income with three levels available. There will be handicap accessible units while other apartments will be ADA convertible with minor changes. A new application for the Brownsfield grant will be resubmitted October 1, 2019.

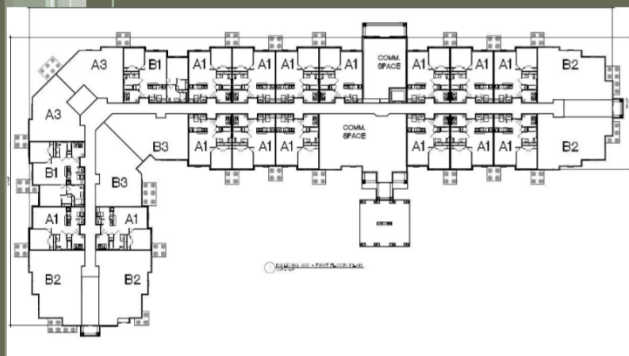
 <p>THE LANDMARK GROUP <i>Redevelopment & Revitalization of Aaron Mills Apartments</i></p>		<p>TOPICS</p> <ul style="list-style-type: none">• Who we are.• Our vision for Aaron Mills Apartments.• How we can make it happen.• What it means for the community.
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 <p>WHO IS THE LANDMARK GROUP?</p>	<p>THE LANDMARK GROUP</p> <ul style="list-style-type: none">○ The Landmark Group is third generation, vertically integrated team of more than 150 people with expertise in architectural design, city planning, historic preservation, layered financing, construction and property management.○ The Landmark Group is an award winning developer of affordable housing communities in the southeast.○ Developed, owns and/or manages over 85 adaptive reuse and new construction communities.○ Over 4,000 units and 65 retail/commercial storefronts.
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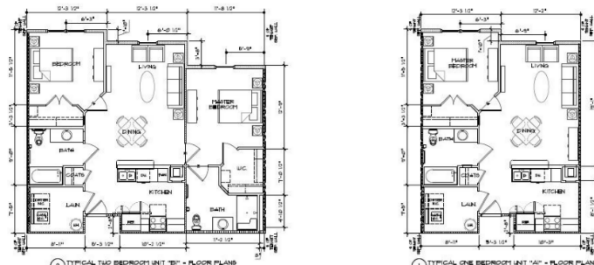
Financing in part provided by the City of Albemarle. The City also leases auditorium space on an annual basis for 20 years.

An aerial photograph of a property located at 1000 Railroad St. The property is bounded by Railroad St to the north and east, and Airmont St to the south and west. It features a large, red, L-shaped building with a flat roof. Adjacent to the building is a paved parking lot with several marked spaces. The surrounding area is green with numerous trees. The street names 'Railroad St', 'Maple St', and 'Airmont St' are visible on the image.

BUILDING FLOOR PLAN



UNIT FLOOR PLANS



FINANCING

- As proposed Aaron Mills Apartments is a \$8,000,000+ development consisting of 52 – one and two bedroom apartments for Seniors
- Financed through federal housing tax credits, private equity and permanent financing.
 - Virginia Brownfields Assistance Fund (VBAF) utilized to clean up site.
 - Current Estimates show over 6.5 million dollars in private equity and a 1.45 million dollar mortgage to finance apartment construction.
- Constructed without the use of City resources other than VBAF Pass-through and the donation of the property.

IMPORTANT DEADLINES

2019-2022

Time is of the essence...what's going to happen next?

- October 2019 – City of Martinsville applies for VBAF
- March 2020 – Landmark Submits VHDA Application & VBAF Awards are announced
- May 2020 – Final VHDA Rankings Announced
- June 2020 – VHDA Board Approves Final Rankings
- 2nd Quarter 2021 – Transfer ownership of the properties
- Third Quarter 2021 – Begin Site Cleanup & Apartment Construction
- Third Quarter 2022 – Construction Completion & Ribbon Cutting

WHAT IT MEANS FOR THE COMMUNITY

BENEFITS FOR THE CITY OF MARTINSVILLE

- Not only cleans up a dilapidated site using VBAF, but also insures tasteful redevelopment of the site into Senior apartments.
- Takes a distasteful and unused site and puts it back on the tax rolls as well as generates revenue by using city and local utilities.
- Combined direct and indirect contribution of the apartment construction, operations and resident spending to the State economy is estimated to be more than \$9 million dollars.

Virginia

Economic Impact of 52 New Apartment Homes

Total Impact
The combined direct and indirect contribution of apartment construction, operations and resident spending to the state economy.

Total Economic Impact	\$9,459,567
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Total Jobs
The total number of direct and indirect jobs supported by apartment construction, operations and resident spending within the state economy.

Total Jobs Supported	81
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Managing Apartments
Apartment homes are economic engines, driving dollars and jobs that strengthen local communities.

Operation Dollars Spent	\$208,930
Direct On-site Jobs	1
Total Economic Contribution	\$416,012
Total Jobs Supported	3

Building Apartments
Apartment construction continues as a bright spot in the economy, helping lead the housing recovery.

Total Economic Contribution	\$7,079,667
Total Jobs Supported	87

Living in Apartments
Renting can be a smart choice for a wide range of individuals and families across all income levels. That's why a diverse array of people call apartments home.

Spending Power	\$1,034,977
Direct Jobs Supported	8
Total Economic Contribution	\$1,944,699
Total Jobs Supported	21

REFERENCES

Mr. Doug Byrom
First Citizens
 Senior Vice President / Manager Strategic CRE Banking
 Phone: 919-716-7834
 Email: Doug.Byrom@FirstCitizens.com

Mr. Rob Vest
Red Stone Equity Partners
 Principal / Managing Director / Acquisitions
 Phone: 704-200-9505
 Email: Rob.Vest@RSEquity.com

Mr. John Ogburn
City Manager - Asheboro, NC
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Mrs. Karen Wilds
Newport News Redevelopment & Housing Authority
 Executive Director
 Phone: 757-928-2620
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Mr. Ted Alexander
Preservation of North Carolina - Western Office
 Regional Director
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 Email: T.Alexander@presnc.org

Consider a request from Landmark Property Management Company to designate 201 and 209 Aaron Street as a revitalization zone – City Manager Towarnicki pointed out the State Code to establish a local economic revitalization zone. By designating these properties as a revitalization zone, it simplifies the process and creates a favorable situation and permanent financing for the project. A motion was made by Council Member Bowles to designate 201 and 209 Aaron Street as a redevelopment zone. Vice Mayor Martin seconded the motion with the following roll call vote: Vice Mayor Martin, aye; Council Member Woods, aye; Mayor Lawson, aye; Council Member Bowles, aye; and Council Member Turner; aye.

§ 15.2-1129.2. Creation of local economic revitalization zones.

A. Any city may establish by ordinance one or more economic revitalization zones for the purpose of providing incentives to private entities to purchase real property and interests in real property to assemble parcels suitable for economic development. Each city establishing an economic revitalization zone may grant incentives and provide regulatory flexibility. Such zones shall be reasonably compact, shall not encompass the entire city, and shall constitute one or more tax parcels not commonly owned. Properties that are acquired through the use of eminent domain shall not be eligible for the incentives and regulatory flexibility provided by the ordinance.

B. The incentives may include, but not be limited to: (i) reduction of permit fees, (ii) reduction of user fees, (iii) reduction of any type of gross receipts tax, and (iv) waiver of tax liens to facilitate the sale of property.

C. Incentives established pursuant to this section may extend for a period of up to 10 years from the date of initial establishment of the economic revitalization zone; however, the extent and duration of any incentive shall conform to the requirements of applicable federal and state law.

D. The regulatory flexibility provided in an economic revitalization zone may include (i) special zoning for the district, (ii) the use of a special permit process, (iii) exemption from certain specified ordinances, excluding ordinances or provisions of ordinances adopted pursuant to the requirements of the Chesapeake Bay Preservation Act (§ 62.1-44.15-67 et seq.), the Erosion and Sediment Control Law (§ 62.1-44.15-51 et seq.), and the Virginia Stormwater Management Act (§ 62.1-44.15-24 et seq.), and (iv) any other incentives adopted by ordinance, which shall be binding upon the locality for a period of up to 10 years.

E. The governing body may establish a service district for the provision of additional public services pursuant to Chapter 24 (§ 15.2-2400 et seq.) of Title 15.2.

F. This section shall not authorize any local government powers that are not expressly granted herein.

G. Prior to adopting or amending any ordinance pursuant to this section, a locality shall provide for notice and public hearing in accordance with subsection A of § 15.2-2204. 2007, c. 262; 2013, cc. 756, 793.

ORDINANCE 2019-2

Establishing Certain Properties in the City of Martinsville as a Revitalization Zone

BE IT ORDAINED by the Council of the City of Martinsville, Virginia, in regular session held on February 26, 2019 that in accordance with §15.2-1129.2 "Creation of Local Economic Revitalization Zones" of the Code of Virginia, properties located on the northeast side of Aaron Street between Broad Street and Stading Avenue and specifically designated as 201 and 209 Aaron Street consisting of approximately 6.4 acres, are hereby collectively designated as a revitalization zone. The properties are further identified as Tax Map Numbers 42(18)00/01A-R and 43(02)A/01A-S, in the City of Martinsville.

Attest:

Karen B. Roberts, Clerk of Council

Date Adopted _____ Date Effective _____

Conduct a public hearing for the purpose of receiving input regarding a planned Community Development Block Grant application for the Pine Hall Road area in Martinsville – Wayne Knox of the Community Development department displayed maps of the Pine Hall area. Knox shared a PowerPoint detailing the Pine Hall project team members, an explanation of

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CDBG, their objectives, the program overview, and previous CDBG projects. Mayor Lawson opened the public hearing. Alexis Lee of 127 Sellers Street states that she is in favor of the Pine Hall area project. With no one else approaching the podium, Lawson closed the public hearing.

City of Martinsville

Pinehall Neighborhood Revitalization

Community Development Block Grant (CDBG) Planning Grant

Public Hearing - February 12, 2019

Project Team Members

- Management Team
 - Community Representatives including Elected Officials and "Sparkplugs"
- City Staff
- Consultants, Engineer, Rehabilitation Specialist
- Virginia Department of Housing and Community Development (DHCD)

What Exactly is CDBG?

- CDBG = Community Development Block Grant
- Authorized under the Housing and Community Development Act of 1974
- Federal oversight (HUD), State administration (DHCD)
- Three National Objectives:
 - Low- and moderate-income benefit
 - Slum and blight elimination
 - Urgent community development needs
- Program serves Non-Entitlement Communities
- Program Design establishes Program Goal and Objective
- Competitive application process

CDBG Program Overview

Community Improvement Grants

- Comprehensive Community Development – two/more significant activities
- Community Facility – Water/Wastewater services (drainage, streets)
- Community Service Facility – Economic Development (training, health care, daycare)
- Housing – Rehabilitation of housing units to DHCD HQS and/or new construction
- Economic Development – Business district revitalization

CDBG Program Overview

Funding Available FY2019

- CDBG Program Funding \$23,858,364
 - Competitive Grants \$13,708,364
 - Vibrant Community Initiative \$1,000,000
 - **Open Submission Funds \$4,650,000**
 - Construction-Ready Water/Sewer
 - Community Economic Development
 - Community Development Innovation
 - Regional Water/Wastewater \$4,500,000
 - Urgent Need Open Submissions \$1,000,000

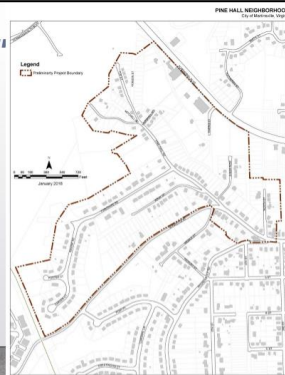
Martinsville Previous CDBG Projects

- Housing/Comprehensive Community Development (CCD)
 - Northside
 - Cherry Street
 - Moss-Barton
 - RP Thomas
- Neighborhood Stabilization Program (NSP3)
- Industrial Revitalization Fund (IRF) - Henry Hotel
- Community Service Facility (CSF) - New College Expansion
- Business District Revitalization - Uptown

City of Martinsville

Area Identified for Study

- Large Area in NW Martinsville
 - Fayette/Pinehall
 - Yorkshire
 - Kings Row
 - Wray
 - Marshall
 - Top
 - North
- Determination of Area of Study



City of Martinsville

Initial Planning Grant Activities

- Management Team Meetings
- Community Meetings
- Neighborhood Survey
 - Determine neighborhood interest
 - Assess and quantify community needs (housing, infrastructure, etc.)
 - Determine neighborhood income profile

City of Martinsville
Development of Community Improvement Grant Proposal

- Delineate final proposed project area
- Collect pre-applications and investor-owner commitments
- Complete Preliminary Engineering Report
- Conduct preliminary housing rehabilitation assessments
- Develop project budget
- Conduct DHR (Historic) and ERR (Environmental) Reviews
- Hold public hearings
- Submit Community Improvement Grant Proposal (March)

City of Martinsville
Proposed Planning Grant Timeline

- Planning Grant Kick-off
- Neighborhood Meeting
- Conduct Neighborhood Surveys
- Determine Project Area for CIG
- Conduct Housing Assessments
- Develop Preliminary Engineering Report
- Complete DHR and ERR Reviews

January 2019

January 24, 2019

July 2018 – February 2019

February 12, 2019

February 2019

February – March 2019

March 2019

City of Martinsville
Proposed Planning Grant Timeline

- Develop Proposed Project Budget
- Housing Rehabilitation
- Infrastructure
- Supplemental Funding

City of Martinsville
Typical Grant Implementation Timeline

- CIG Application due
- CDBG Grants awarded
- DHCD Contract signed
- Project Implementation

February – March 2019

March 12, 2019

March 2019

March 29, 2019

March 29, 2019

Late Summer 2019

Early 2020

24 months

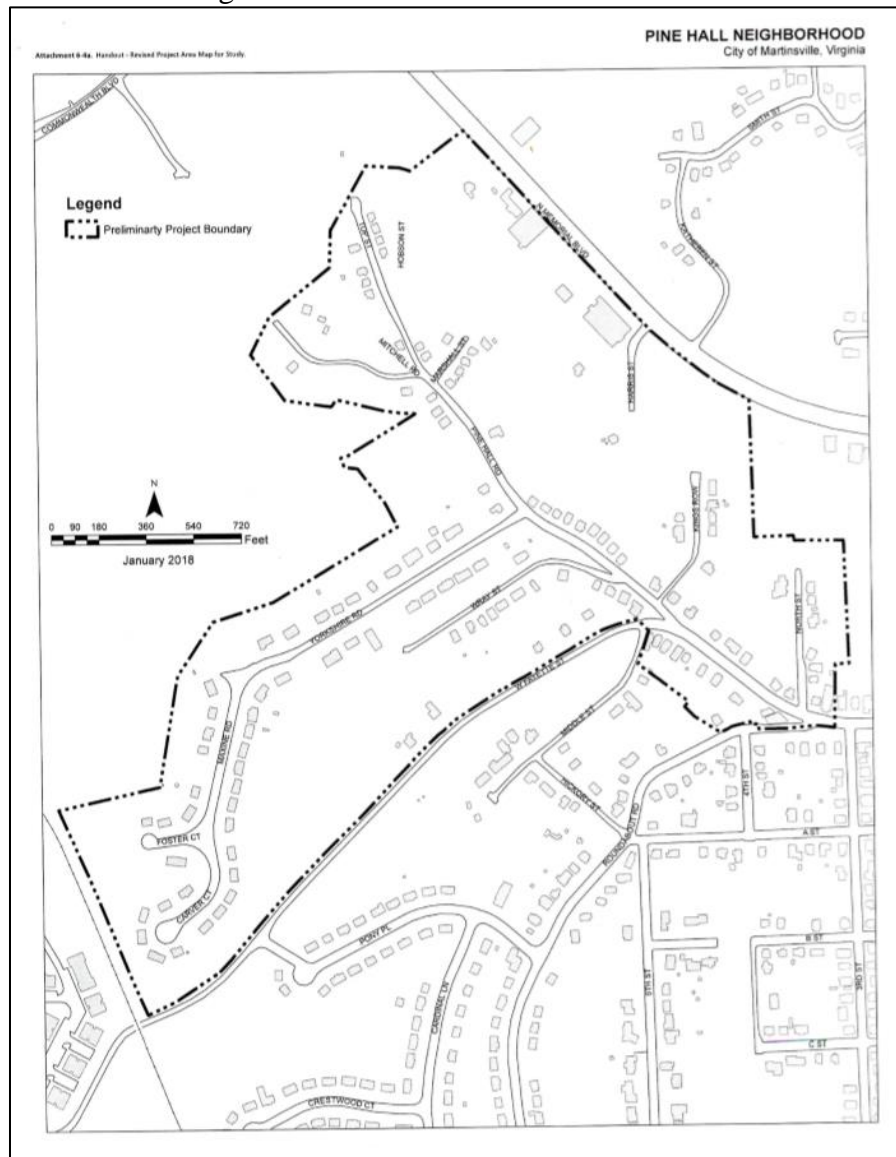
36 months

April 2020 – March 2022

April 2020 – March 2023

City of Martinsville
CDBG Planning Grant Input Session

- What questions do you have about
 - Planning process?
 - Grant funding?
 - Possible improvements?
 - Eligibility requirements?
- What needs do you have in your community?
- Other questions???



Consider setting a public hearing for Council's March 12 meeting regarding a planned Community Development Block Grant Application – Council Member Bowles made a motion to set the public hearing for the March 12 Council Meeting. Council Member Turner seconded the motion with all members voting in favor.

Consider authorizing staff to execute an audit/financial services contract extension with Robinson, Farmer, Cox Associates – Finance Director Linda Conover explained the need for the extension. Conover says that RFC is wonderful to work with and asked that Council approve a contract with RFC for three more years. Council Member Bowles made a motion to extend the contract with Robinson, Farmer, Cox Associates for another three years. Vice Mayor Martin seconded the motion with a 4-1 vote; Council Member Turner voted against the contract extension.

Consider a request from Martinsville City Schools for an appropriation of \$671,636 – Travis Clemmons and Dr. Zeb Talley were present to answer questions on the request for the appropriation, which would be used towards a new roof for the middle school and shared quotes received for the repairs. They are asking for \$357,000 in funds to cover the roof repairs

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and \$314,636 to cover anticipated revenue shortfalls due to student enrollment decline. Vice Mayor Martin made a motion to allocate up to \$357,000 for school roof repairs with the amount to actually be appropriated dependent on receipt of bids. Council Member Bowles seconded the motion. All Council Members voted in favor. Mayor Lawson recommended the remaining \$314,636 be allocated as needed rather than awarded as a lump sum. Vice Mayor Martin would like for Council and the School Board to sit down and better understand the budget; he feels there is a lack of communication when it comes to the budget. City Manager reminded Council there they have had Strategic Planning work sessions, budget work sessions, pre-budget work sessions. Lawson said the consensus of the Council would be for the School Board to come back to future meetings when additional funds are required. Concerns about Druid Hills School and flooding were also discussed.

Business from the Floor – Sophia Esdaile is on the Harvest Youth Board. She said that the Harvest Youth Board is recruiting. An information session will be held at the office tomorrow at 6:30 and rising sophomores, juniors and seniors are welcome to attend.

Jim Peverall, 215 Aaron Street says it is refreshing that Landmark has plans to develop the Aaron Street property. However, it will be 1-2 years before any action will be taken. Peverall has asked previously for the City to secure the property. He asked if it is Council's position to allow the site to remain unsecured for another two years. City Manager Towarnicki explained that it is still the Martin's property and the Martin Family has plans to sell the property in the near future. Towarnicki explained that it is a requirement that the property be secured so the road can be opened back up. City Attorney Monday said the corporate officers of an LLC could be held liable for securing the site so selling the property will not override the issue. Peverall stated that sufficient time has passed for the Martin's to secure the property and he feels the time to press that issue is now. The Hiatt property is secured with some breaches, the Martin property has not been secured. Peverall said if his property had burned, the City would not have allowed him two years to clean that up. Council Member Turner made a motion to require the Martin Family to clean up and secure the property before they sell the property. City Attorney Monday asked Council to provide him a deadline to secure the property before legal action will be taken. All agreed to set the deadline for 30 days. All notices required have been sent to the property owner. Peverall said if the properties are secured then the street could be reopened which would be beneficial especially to the elderly residents in that area.

Comments by Members of City Council – Council Member Turner shared that it was recently discovered that Lt. Cornell Daniel is buried at Arlington Cemetery. Recently Lt. Daniel was honored at Hugo's and Imogene Draper presented his family a flag flown over the capital. Turner regrets after three years of placing wreaths at Arlington, they were unaware that Lt Daniel was buried there. Vice Mayor Martin confirmed that the City Attorney is not paid a huge salary but his service to the City is priceless, he confirms that City Attorney Monday does not get the credit

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he deserves. Council Member Bowles explained that the list for wreaths at Arlington Cemetery has increased from 5 to 30 Martinsville residents. Bowles recently had the honor of serving as a Mr. Bulldog Pageant judge; it is always a pleasure to support the schools. Good luck to the Bulldogs in the state championship. Prayers and condolences to the Fitzgibbons family and to Fire Chief Anderson on the loss of his father. Bowles shared details about VIP night at Fast Track. She was invited to and enjoyed the robotics open house. The Salvation Army is in need of meat; a refrigerator failed and they lost all meats inside. Bowles explained that tractor-trailers are coming down Roundabout Road and damaging property, stating their GPS is sending them that way. She asked if it was possible to install signage to detour truck traffic in that area. Council Member Woods said the potential loss of City Attorney Monday was eye opening and reiterated that Monday's service to the City is valued. Condolences to the Fitzgibbons family and the VanPitzer family. Woods shared cultural amenities at the BlackBox Theater. Residents can attend a Woody Allen play this weekend and auditions for a May show will be held soon. If people cannot find activities in Martinsville, then they are not looking too hard. Mayor Lawson extended sympathy to Doc Christman for the loss of his wife, who was affectionately known as the Martinsville Mustangs "Momma". The Aaron Street barricade needs to be adjusted. Lawson congratulated Vice Mayor Martin for his NAACP award and reminded residents about the upcoming Northside Neighborhood meeting

Comments by City Manager – City Council Towarnicki shared that the Fast Track Trade Show will be March 2 and 3. Budget meetings will begin February 27. Towarnicki elaborated on Lawson's statement, sharing that the Christman family attended every Mustang game and hosted several players for many years, going above and beyond for the team. Towarnicki offered condolences to the Christman family.

City Attorney Monday recognizes that this has not been the happiest Black History Month. However, a bill has passed the General Assembly regarding local African American cemeteries. Martinsville is the only locality in Virginia to have all African American cemeteries listed and recognized.

There being no further business, Council Member Bowles made a motion to adjourn the meeting; the motion was seconded by Council Member Turner with all Council Members voting in favor. The meeting adjourned at 9:40pm.

Karen Roberts
Clerk of Council

Kathy Lawson
Mayor